

Laguna Resorts & Hotels Public Company Limited  
and its subsidiaries

Review report and interim consolidated financial statements

For the three-month and six-month periods ended

30 June 2015

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of Laguna Resorts & Hotels Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Laguna Resorts & Hotels Public Company Limited and its subsidiaries as at 30 June 2015, the related consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2015, and the related consolidated statements of the changes in shareholders' equity, and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Laguna Resorts & Hotels Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of Review**

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

## Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.



Rosaporn Decharkom  
Certified Public Accountant (Thailand) No. 5659

EY Office Limited  
Bangkok: 11 August 2015

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2015

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June	31 December	30 June	31 December
		<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3	313,965	444,633	19,098	17,675
Current investment - short-term fixed deposit		10,661	10,588	-	-
Trade and other receivables	4	427,021	549,723	195,064	203,899
Inventories		107,846	107,779	-	-
Property development cost	6	4,507,171	3,888,709	193,267	193,267
Other current assets		204,338	178,919	29,110	23,538
<b>Total current assets</b>		<u>5,571,002</u>	<u>5,180,351</u>	<u>436,539</u>	<u>438,379</u>
<b>Non-current assets</b>					
Restricted deposits at financial institution		41	41	-	-
Long-term fixed deposit		2,000	2,000	2,000	2,000
Long-term trade accounts receivable	7	165,566	165,044	-	-
Investments in subsidiaries	8	-	-	4,269,026	3,479,025
Investments in associates	9	398,592	409,465	-	-
Other long-term investments	10	1,063,086	1,008,790	456,721	402,425
Long-term loans to subsidiaries	5	-	-	782,321	2,257,021
Investment properties		1,112,276	1,112,276	181,225	181,225
Property, plant and equipment	11	10,256,014	10,244,888	51,395	49,796
Deferred tax assets		120,951	95,534	-	-
Goodwill		407,904	407,904	-	-
Leasehold rights		18,260	19,448	-	-
Other non-current assets		72,352	68,357	1,420	1,335
<b>Total non-current assets</b>		<u>13,617,042</u>	<u>13,533,747</u>	<u>5,744,108</u>	<u>6,372,827</u>
<b>Total assets</b>		<u>19,188,044</u>	<u>18,714,098</u>	<u>6,180,647</u>	<u>6,811,206</u>

The accompanying notes are an integral part of the financial statements.

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2015

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		30 June	31 December	30 June	31 December
	Note	2015	2014	2015	2014
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	12	875,000	710,000	410,000	360,000
Trade and other payables	13	618,053	687,573	43,576	24,926
Current portion of long-term loans from financial institutions	15	726,687	657,750	70,000	70,000
Income tax payable		42,937	23,787	-	-
Advance received from customers		1,218,167	1,017,212	382	715
Other current liabilities	14	121,660	122,060	9,211	9,959
<b>Total current liabilities</b>		<b>3,602,504</b>	<b>3,218,382</b>	<b>533,169</b>	<b>465,600</b>
<b>Non-current liabilities</b>					
Long-term loans from subsidiaries	5	-	-	71,600	765,850
Long-term loans from financial institutions - net of current portion	15	1,868,889	1,819,576	-	35,000
Provision for long-term employee benefits		52,951	52,622	9,160	10,022
Long-term provision - provision for legal case	24	39,910	39,337	-	-
Deferred tax liabilities		2,103,791	2,091,590	202,784	196,847
Other non-current liabilities		95,604	84,960	5,696	5,881
<b>Total non-current liabilities</b>		<b>4,161,145</b>	<b>4,088,085</b>	<b>289,240</b>	<b>1,013,600</b>
<b>Total liabilities</b>		<b>7,763,649</b>	<b>7,306,467</b>	<b>822,409</b>	<b>1,479,200</b>
<b>Shareholders' equity</b>					
Share capital					
Registered					
211,675,358 ordinary shares of Baht 10 each		2,116,754	2,116,754	2,116,754	2,116,754
Issued and fully paid-up					
166,682,701 ordinary shares of Baht 10 each		1,666,827	1,666,827	1,666,827	1,666,827
Share premium		2,062,461	2,062,461	2,062,461	2,062,461
Capital reserve		568,131	568,131	-	-
Retained earnings					
Appropriated - statutory reserve		211,675	211,675	211,675	211,675
Unappropriated		2,441,815	2,482,806	939,842	957,046
Other components of shareholders' equity		4,192,815	4,134,100	477,433	433,997
Equity attributable to owner of the Company		11,143,724	11,126,000	5,358,238	5,332,006
Equity attributable to non-controlling interests of the subsidiaries		280,671	281,631	-	-
<b>Total shareholders' equity</b>		<b>11,424,395</b>	<b>11,407,631</b>	<b>5,358,238</b>	<b>5,332,006</b>
<b>Total liabilities and shareholders' equity</b>		<b>19,188,044</b>	<b>18,714,098</b>	<b>6,180,647</b>	<b>6,811,206</b>

The accompanying notes are an integral part of the financial statements.

Directors

(Unaudited but reviewed)

**Laguna Resorts & Hotels Public Company Limited and its subsidiaries****Income statement****For the three-month period ended 30 June 2015**

(Unit: Thousand Baht, except earnings per share expressed in Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Revenue					
Revenue from hotel operations		604,564	571,104	4,778	6,896
Revenue from property development operations		191,424	154,280	242	43,851
Revenue from office rental operations		23,728	23,736	9,591	9,798
Interest income		4,835	6,717	9,404	32,726
Insurance claim		483	-	-	-
Other income		29,013	29,876	35,727	32,871
<b>Total revenue</b>		<b>854,047</b>	<b>785,713</b>	<b>59,742</b>	<b>126,142</b>
Expenses					
Cost of hotel operations		406,711	398,021	6,359	9,222
Cost of property development operations		109,408	69,248	-	21,279
Cost of office rental operations		8,811	15,187	1,782	1,763
Selling expenses		78,241	102,252	200	4,080
Administrative expenses		317,178	346,364	41,816	41,233
Reversal of loss on impairment of investment		-	(89,339)	-	-
<b>Total expenses</b>		<b>920,349</b>	<b>841,733</b>	<b>50,157</b>	<b>77,577</b>
<b>Profit (loss) before share of loss from investment</b>					
<b>in associate, finance cost and income tax expenses</b>		(66,302)	(56,020)	9,585	48,565
Share of loss from investment in associate	9	(19,347)	(4,463)	-	-
<b>Profit (loss) before finance cost and income tax expenses</b>		<b>(85,649)</b>	<b>(60,483)</b>	<b>9,585</b>	<b>48,565</b>
Finance cost		(40,636)	(39,596)	(5,223)	(14,189)
<b>Profit (loss) before income tax expenses</b>		<b>(126,285)</b>	<b>(100,079)</b>	<b>4,362</b>	<b>34,376</b>
Income tax expenses	16	6,208	31,802	4,142	(8,747)
<b>Profit (loss) for the period</b>		<b>(120,077)</b>	<b>(68,277)</b>	<b>8,504</b>	<b>25,629</b>
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		(121,329)	(66,076)	8,504	25,629
Non-controlling interests of the subsidiaries		1,252	(2,201)		
		(120,077)	(68,277)		
<b>Basic earnings per share</b>					
Profit (loss) attributable to equity holders of the Company	17	(0.73)	(0.40)	0.05	0.15

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Profit (loss) for the period</b>	<b>(120,077)</b>	<b>(68,277)</b>	<b>8,504</b>	<b>25,629</b>
<b>Other comprehensive income (loss):</b>				
<i>Other comprehensive income to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Exchange differences on translation of				
financial statements in foreign currency	17,768	4,595	-	-
Unrealised gain on available-for-sales security,				
net of income tax	(10,221)	23,067	(10,221)	94,538
<b>Other comprehensive income (loss) for the period</b>	<b>7,547</b>	<b>27,662</b>	<b>(10,221)</b>	<b>94,538</b>
<b>Total comprehensive income (loss) for the period</b>	<b>(112,530)</b>	<b>(40,615)</b>	<b>(1,717)</b>	<b>120,167</b>
<b>Total comprehensive income (loss) attributable to:</b>				
Equity holders of the Company	(115,660)	(38,664)	(1,717)	120,167
Non-controlling interests of the subsidiaries	3,130	(1,951)		
	<b>(112,530)</b>	<b>(40,615)</b>		

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Laguna Resorts & Hotels Public Company Limited and its subsidiaries****Income statement****For the six-month period ended 30 June 2015**

(Unit: Thousand Baht, except earnings per share expressed in Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Revenue					
Revenue from hotel operations		1,654,611	1,614,586	23,336	28,928
Revenue from property development operations		376,244	300,117	328	75,838
Revenue from office rental operations		45,911	45,954	19,433	20,133
Interest income		9,273	10,625	36,412	65,457
Insurance claim		39,372	-	-	-
Other income		32,666	33,839	45,091	40,212
Total revenue		2,158,077	2,005,121	124,600	230,568
Expenses					
Cost of hotel operations		915,946	897,061	16,108	19,642
Cost of property development operations		214,037	143,989	-	45,367
Cost of office rental operations		22,743	26,438	3,618	3,598
Selling expenses		173,077	208,782	387	6,107
Administrative expenses		714,567	688,577	88,197	80,828
Reversal of loss on impairment of investment		-	(89,339)	-	-
Total expenses		2,040,370	1,875,508	108,310	155,542
Profit before share of loss from investment					
in associate, finance cost and income tax expenses		117,707	129,613	16,290	75,026
Share of loss from investment in associate	9	(22,244)	(19,080)	-	-
Profit before finance cost and income tax expenses		95,463	110,533	16,290	75,026
Finance cost		(80,872)	(80,901)	(17,581)	(28,450)
Profit (loss) before income tax expenses		14,591	29,632	(1,291)	46,576
Income tax expenses	16	(35,889)	6,874	4,922	(6,767)
Profit (loss) for the period		(21,298)	36,506	3,631	39,809
Profit (loss) attributable to:					
Equity holders of the Company		(20,156)	38,777	3,631	39,809
Non-controlling interests of the subsidiaries		(1,142)	(2,271)		
		(21,298)	36,506		
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company	17	(0.12)	0.23	0.02	0.24

The accompanying notes are an integral part of the financial statements.



(Unaudited but reviewed)

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of comprehensive income

For the six-month period ended 30 June 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit (loss) for the period	(21,298)	36,506	3,631	39,809
Other comprehensive income (loss):				
Other comprehensive income to be reclassified				
to profit or loss in subsequent periods				
Exchange differences on translation of				
financial statements in foreign currency	15,461	(17,150)	-	-
Unrealised gain on available-for-sales security,				
net of income tax	43,436	118,116	43,436	189,587
Other comprehensive income (loss) for the period	58,897	100,966	43,436	189,587
Total comprehensive income (loss) for the period	37,599	137,472	47,067	229,396
Total comprehensive income (loss) attributable to:				
Equity holders of the Company	38,559	139,824	47,067	229,396
Non-controlling interests of the subsidiaries	(960)	(2,352)		
	37,599	137,472		

The accompanying notes are an integral part of the financial statements.

## Laguna Resorts &amp; Hotels Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity

For the six-month period ended 30 June 2015

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to the owners of the Company												
	Other components of shareholders' equity											
	Other comprehensive income											
	Issued and fully paid-up share capital	Share premium	Capital reserve	Retained earnings	Exchange differences on translation of financial statements in foreign currency	Revaluation surplus on assets	Unrealised gain on available-for-sales security	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
Balance as at 1 January 2014	1,666,827	2,062,461	568,131	211,675	2,521,329	3,935,218	-	4,091,793	11,122,216	279,777	11,401,993	
Profit (loss) for the period	-	-	-	-	38,777	-	-	-	38,777	(2,271)	36,506	
Other comprehensive income (loss) for the period	-	-	-	-	-	(17,069)	-	118,116	101,047	(81)	100,966	
Total comprehensive income (loss) for the period	-	-	-	-	38,777	(17,069)	-	118,116	101,047	(2,352)	137,472	
Dividend paid (Note 18)	-	-	-	-	(56,663)	-	-	-	(56,663)	-	(56,663)	
Balance as at 30 June 2014	1,666,827	2,062,461	568,131	211,675	2,503,443	3,935,218	118,116	4,192,840	11,205,377	277,425	11,482,802	
Balance as at 1 January 2015	1,666,827	2,062,461	568,131	211,675	2,482,806	3,935,218	54,239	4,134,100	11,126,000	281,631	11,407,631	
Loss for the period	-	-	-	-	(20,156)	-	-	-	(20,156)	(1,142)	(21,296)	
Other comprehensive income (loss) for the period	-	-	-	-	-	15,279	-	58,715	58,715	182	58,897	
Total comprehensive income (loss) for the period	-	-	-	-	(20,156)	15,279	-	58,715	38,559	(960)	37,599	
Dividend paid (Note 18)	-	-	-	-	(20,835)	-	-	-	(20,835)	-	(20,835)	
Balance as at 30 June 2015	1,666,827	2,062,461	568,131	211,675	2,441,815	3,935,218	97,675	4,192,815	11,143,724	280,671	11,424,395	

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

## Laguna Resorts &amp; Hotels Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2015

(Unit: Thousand Baht)

	Separate financial statements						
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity		
			Appropriated - Statutory reserve	Unappropriated	Revaluation surplus on assets	Unrealised gain on available-for-sales security	Total other components of shareholders' equity
<b>Balance as at 1 January 2014</b>	1,666,827	2,062,461	211,675	926,196	136,986	171,301	308,287
Profit for the period	-	-	-	39,809	-	-	-
Other comprehensive income (loss) for the period	-	-	-	-	-	189,587	189,587
Total comprehensive income (loss) for the period	-	-	-	39,809	-	189,587	189,587
Dividend paid (Note 18)	-	-	-	(56,663)	-	-	-
<b>Balance as at 30 June 2014</b>	1,666,827	2,062,461	211,675	909,342	136,986	360,888	497,874
<b>Balance as at 1 January 2015</b>	1,666,827	2,062,461	211,675	957,046	136,986	297,011	433,997
Profit for the period	-	-	-	3,631	-	-	-
Other comprehensive income (loss) for the period	-	-	-	-	-	43,436	43,436
Total comprehensive income (loss) for the period	-	-	-	3,631	-	43,436	43,436
Dividend paid (Note 18)	-	-	-	(20,835)	-	-	-
<b>Balance as at 30 June 2015</b>	1,666,827	2,062,461	211,675	939,842	136,986	340,447	477,433
							5,358,238

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

## Laguna Resorts &amp; Hotels Public Company Limited and its subsidiaries

## Cash flow statement

For the six-month period ended 30 June 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax expenses	14,591	29,632	(1,291)	46,576
Adjustments to reconcile profit (loss) before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation	155,117	144,742	2,272	2,397
Amortisation of leasehold rights	1,272	1,332	-	-
Allowance for doubtful accounts	13,853	2,477	-	-
Reduction of inventory to net realisable value (reversal)	61	(1,409)	-	-
Share of loss from investments in associate	22,244	19,080	-	-
Loss (gain) on sale of property, plant and equipment	79	(110)	-	(6)
Write off property, plant and equipment	373	463	-	1
Dividend income from other long-term investment	(25,551)	(25,551)	(25,551)	(25,551)
Provision for long-term employee benefits (reversal)	4,004	3,884	480	(1,854)
Reversal of loss on impairment of investment	-	(89,339)	-	-
Provision for loss on compensation claim	1,256	37,379	-	-
Forfeited money from property units	(13,494)	-	-	-
Interest income	(9,273)	(10,625)	(36,412)	(65,457)
Interest expenses	80,872	80,901	17,581	28,450
Profit (loss) from operating activities before changes in operating assets and liabilities	245,404	192,856	(42,921)	(15,444)
Operating assets (increase) decrease				
Trade and other receivables	106,537	163,112	(477)	14,555
Inventories	(128)	12,008	-	-
Property development cost	(614,275)	(103,717)	-	44,673
Other current assets	(25,311)	10,520	(2,780)	2,850
Long-term trade accounts receivable	(522)	(18,071)	-	1,787
Other non-current assets	(3,995)	921	(85)	1,651
Operating liabilities increase (decrease)				
Trade and other payables	(72,226)	(143,527)	21,300	(6,804)
Advance received from customers	200,955	49,661	(333)	747
Other current liabilities	(386)	4,942	(748)	941
Provision for long-term employee benefits	(3,675)	(2,376)	(1,342)	(89)
Other non-current liabilities	10,144	(12,112)	(185)	(1,830)
Cash flows from (used in) operating activities	(157,478)	154,217	(27,571)	43,037
Cash received for interest income	9,208	10,717	45,724	65,592
Cash paid for interest expenses	(77,880)	(81,912)	(20,232)	(28,946)
Cash paid for income tax	(40,678)	(31,378)	(2,792)	(3,355)
<b>Net cash flows from (used in) operating activities</b>	<b>(266,828)</b>	<b>51,644</b>	<b>(4,871)</b>	<b>76,328</b>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

## Laguna Resorts &amp; Hotels Public Company Limited and its subsidiaries

## Cash flow statement (continued)

For the six-month period ended 30 June 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Cash flows from investing activities</b>				
Increase in current investment - short-term fixed deposit	(73)	(90)	-	-
Cash paid for purchase of long-term investment in subsidiaries	-	-	(790,001)	-
Cash received from long-term loans to subsidiaries	-	-	2,734,000	467,400
Cash paid for long-term loans to subsidiaries	-	-	(1,259,300)	(730,120)
Decrease in long-term loans to employees	-	183	-	23
Cash received from sales of property, plant and equipment	159	287	-	29
Cash paid for acquisition of property, plant and equipment	(155,623)	(109,491)	(3,871)	(6,350)
Dividend received from other long-term investment	25,551	25,551	25,551	25,551
<b>Net cash flows from (used in) investing activities</b>	<b>(129,986)</b>	<b>(83,560)</b>	<b>706,379</b>	<b>(243,467)</b>
<b>Cash flows from financing activities</b>				
Payment of dividends	(20,835)	(56,663)	(20,835)	(56,663)
Increase in short-term loans from financial institution	165,000	275,000	50,000	95,000
Draw down of long-term loans from subsidiaries	-	-	291,000	423,200
Repayment of long-term loans from subsidiaries	-	-	(985,250)	(238,800)
Draw down of long-term loans from financial institutions	385,000	-	-	-
Repayment of long-term loans from financial institutions	(266,750)	(248,750)	(35,000)	(35,000)
<b>Net cash flows from (used in) financing activities</b>	<b>262,415</b>	<b>(30,413)</b>	<b>(700,085)</b>	<b>187,737</b>
Net exchange differences on translation of financial statements in foreign currency	3,731	(1,322)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(130,668)</b>	<b>(63,651)</b>	<b>1,423</b>	<b>20,598</b>
Cash and cash equivalents at beginning of period	444,633	370,828	17,675	17,183
<b>Cash and cash equivalents at end of period</b>	<b>313,965</b>	<b>307,177</b>	<b>19,098</b>	<b>37,781</b>

## Supplemental cash flows information

## Non-cash items

Increase (decrease) in exchange differences on translation

of financial statements in foreign currency of associate

11,370 (15,905) - -

Transferred property development cost to property,

plant and equipment

11,683 30,108 - -

The accompanying notes are an integral part of the financial statements.

**Laguna Resorts & Hotels Public Company Limited and its subsidiaries**

**Notes to interim financial statements**

**For the three-month and six-month periods ended 30 June 2015**

**1. General information**

**1.1 Corporate information**

Laguna Resorts & Hotels Public Company Limited ("the Company", "LRH") is a public company incorporated and domiciled in Thailand. Its major shareholder is Banyan Tree Holdings Limited, which was incorporated in Singapore.

The Company and its subsidiaries are principally engaged in the hotel business and property development. There are three hotels in Laguna Phuket, namely Angsana Laguna Phuket, Banyan Tree Phuket and Outrigger Laguna Phuket Resort and Villas, located in Phuket province and one hotel, the Banyan Tree Bangkok, located in Bangkok. The subsidiaries are also engaged in operating a golf club (Laguna Phuket Golf Club), sales of merchandise (Banyan Tree Gallery), office and shop rental and sale of holiday club memberships.

The registered office of the Company is at 21/17B, 21/17C, 21/65, 21/66 and 21/68 Thai Wah Tower 1, 7<sup>th</sup>, 22<sup>nd</sup> and 24<sup>th</sup> Floor, South Sathorn Road, Tungmahamek, Sathorn, Bangkok.

**1.2 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2014) *"Interim Financial Reporting"*, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statements, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

### **1.3 Basis of consolidation**

These consolidated financial statements include the financial statements of Laguna Resorts & Hotels Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2014. There have been no changes in the composition of the subsidiaries during the current period.

### **1.4 New financial reporting standards**

During the period, the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these financial reporting standards involve changes to key principles, as summarised below:

#### **TAS 19 (revised 2014) Employee Benefits**

This revised standard requires that the entity recognise actuarial gains and losses of post-employment benefits immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognise actuarial gains and losses of post-employment benefits immediately in other comprehensive income.

#### **TFRS 10 Consolidated Financial Statements**

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the

(Unaudited but reviewed)

shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

#### **TFRS 12 Disclosure of Interests in Other Entities**

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

#### **TFRS 13 Fair Value Measurement**

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

### **2. Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2014, except for the changes in accounting policies as a result of the adoption of new and revised standards, as discussed in note 1.4 to the financial statements.

### **3. Cash and cash equivalents**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Cash	4,200	5,360	180	180
Bank deposits	309,765	439,273	18,918	17,495
Total	313,965	444,633	19,098	17,675



**4. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
<u>Trade accounts receivable</u>				
Trade accounts receivable - hotel operations	201,223	292,729	7,346	5,127
Less: Allowance for doubtful accounts	(24,893)	(10,822)	-	-
Trade accounts receivable - hotel operations, net	176,330	281,907	7,346	5,127
Trade accounts receivable - sales of property				
- installment due	39,690	13,014	2,417	-
Current portion of long-term trade				
accounts receivable (Note 7)	78,467	84,262	-	4,857
Trade accounts receivable - sales of property, net	118,157	97,276	2,417	4,857
Trade accounts receivable - sales of holiday club				
memberships - installment due	12,676	8,917	-	-
Current portion of long-term trade				
accounts receivable (Note 7)	22,318	22,022	-	-
Total	34,994	30,939	-	-
Less: Allowance for doubtful accounts	(2,600)	(2,600)	-	-
Trade accounts receivable - sales of holiday club				
memberships, net	32,394	28,339	-	-
Trade accounts receivable - net	326,881	407,522	9,763	9,984
<u>Other receivables</u>				
Amounts due from related parties (Note 5)	51,280	58,089	149,877	151,037
Other receivables	19,341	20,312	7,561	639
Insurance claim receivable	153	14,616	-	-
Accrued other income	1,754	7,174	286	229
Interest receivable	196	132	161	132
Accrued rental	27,416	41,878	27,416	41,878
Total other receivables	100,140	142,201	185,301	193,915
Trade and other receivables, net	427,021	549,723	195,064	203,899

(Unaudited but reviewed)

The balances of trade accounts receivable - hotel operations, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
<b><u>Age of receivables</u></b>				
Not yet due	39,642	122,287	269	2,251
Past due				
Up to 30 days	54,193	87,028	804	794
31 - 60 days	20,329	20,821	525	642
61 - 90 days	6,130	4,212	500	490
91 - 120 days	17,083	5,788	5,248	950
Over 120 days	63,846	52,593	-	-
Total	201,223	292,729	7,346	5,127
Less: Allowance for doubtful accounts	(24,893)	(10,822)	-	-
Trade accounts receivable - hotel operations, net	176,330	281,907	7,346	5,127

The balances of installments due of trade accounts receivable - sales of property operations, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
<b><u>Age of receivables</u></b>				
Not yet due	7,461	10,336	2,417	-
Past due				
Up to 30 days	515	2,678	-	-
Over 120 days	31,714	-	-	-
Trade accounts receivable - sales of property - installment due, net	39,690	13,014	2,417	-

(Unaudited but reviewed)

The balances of installments due of trade accounts receivable - holiday club memberships, aged on the basis of due dates, are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
<b><u>Age of receivables</u></b>				
Not yet due	-	1,370	-	-
Past due				
Up to 30 days	951	1,254	-	-
31 - 60 days	650	458	-	-
61 - 90 days	325	465	-	-
91 - 120 days	274	340	-	-
Over 120 days	10,476	5,030	-	-
Total	12,676	8,917	-	-
Less: Allowance for doubtful accounts	(2,600)	(2,600)	-	-
Trade accounts receivable - sales of holiday club membership - installment due, net	10,076	6,317	-	-

## 5. Related party transactions

During the period, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and agreed upon basis between the Company, its subsidiaries and related parties.

(Unit: Million Baht)

	For the three-month period ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		
	2015	2014	2015	2014	Transfer pricing policy
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Estate service expenses	-	-	-	1	(18) at market price
Guarantee fee income	-	-	1	-	(3) agreed basis
Guarantee fee expenses	-	-	1	1	(3) agreed basis
Interest income	-	-	9	33	(5) agreement
Interest expenses	-	-	-	10	(5) agreement
Management fee income	-	-	9	7	(4), (7) agreement
Reimbursement receipts	-	-	3	2	(11) agreed basis
Reimbursement payments	-	-	3	4	(11) agreed basis

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month period ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		
	2015	2014	2015	2014	Transfer pricing policy
Rental and service income	-	-	3	3	(12)(i), (iii) agreement
Rental and service expenses	-	-	1	1	(12)(iv), (v) agreement
Resort service expenses	-	-	2	2	(14) agreed basis
<u>Transactions with associates</u>					
Inter resort receipts	1	1	-	-	(1) agreed basis
Reimbursement payments	1	-	-	-	(11) agreed basis
Rental and services expenses	-	1	-	-	(12)(i) agreement
Sale of goods	2	1	-	-	(9) agreed basis
<u>Transactions with related companies</u>					
Credit card commission receipts	1	1	-	-	(1) agreed basis
Inter resort payments	16	16	-	-	(1) agreed basis
Management fee income	-	1	-	-	(16), (17) agreement
Management fee expenses	43	52	-	-	(6), (15) agreement
Purchase of spa & gallery vouchers	1	-	-	-	(2), (8) agreed basis
Sale of goods	10	14	-	-	(9) agreed basis
Reimbursement receipts	18	25	2	2	(11) agreed basis
Reimbursement payments	14	12	3	1	(11) agreed basis
Rental and service income	8	8	-	-	(12)(i), (ii), (iv), (vi), (vii) agreement
Rental return on hotel units	1	1	-	-	(13) agreement
Resort service income	2	2	-	-	(14) agreed basis
Training charges	7	6	1	-	(10) agreed basis

(Unit: Million Baht)

	For the six-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		
	2015	2014	2015	2014	Transfer pricing policy
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Estate service expenses	-	-	-	1	(18) at market price
Guarantee fee income	-	-	1	1	(3) agreed basis
Guarantee fee expenses	-	-	2	2	(3) agreed basis
Interest income	-	-	36	65	(5) agreement
Interest expenses	-	-	8	21	(5) agreement
Management fee income	-	-	17	14	(4), (7) agreement
Reimbursement receipts	-	-	5	6	(11) agreed basis
Reimbursement payments	-	-	6	11	(11) agreed basis
Rental and service income	-	-	6	6	(12)(i), (iii) agreement

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		
	2015	2014	2015	2014	Transfer pricing policy
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Rental and service expenses	-	-	3	3	(12)(iv), (v) agreement
Resort service expenses	-	-	6	3	(14) agreed basis
Sale of assets	-	-	-	4	At net book value
<u>Transactions with associates</u>					
Inter resort receipts	1	1	-	-	(1) agreed basis
Reimbursement payments	1	-	-	-	(11) agreed basis
Rental and service expenses	-	1	-	-	(12)(i) agreement
Sale of goods	2	2	-	-	(9) agreed basis
<u>Transactions with related companies</u>					
Credit card commission receipts	1	1	-	-	(1) agreed basis
Inter resort payments	42	41	-	-	(1) agreed basis
Management fee income	1	2	-	-	(16), (17) agreement
Management fee expenses	132	142	-	-	(6), (15) agreement
Sale of gallery vouchers	-	1	-	-	(8) agreed basis
Purchase of spa & gallery vouchers	8	6	2	2	(2), (8) agreed basis
Sale of goods	23	20	-	-	(9) agreed basis
Reimbursement receipts	36	47	2	2	(11) agreed basis
Reimbursement payments	28	21	6	1	(11) agreed basis
Rental and service income	17	17	-	-	(12)(i), (ii), (iv), (vi), (vii) agreement
Rental return on hotel units	2	2	-	-	(13) agreement
Resort service income	4	4	-	-	(14) agreed basis
Training charges	8	7	1	-	(10) agreed basis

The nature, pricing policy and agreements relating to the above transactions are summarised below:

- (1) These charges relate to goods and services that are consumed by customers in one part of Laguna Phuket but are billed centrally to the customer at the hotel in which the customer is staying. Such charges relate to meals at restaurants, golf fees, treatments at the spa and goods purchased at shops in the resort. On receiving the funds centrally from the customer, the hotel reimburses the company in which the goods and services are consumed. Actual receipts are paid and credit card commission is charged ranging from 2% to 5% of the revenue based on the commission rate charged by the credit card companies. Such inter resort charges are also incurred at the Banyan Tree Bangkok and Banyan Tree

Lijiang primarily for treatments at the spa and goods purchased at the shops.

- (2) This relates to sale of spa and gallery vouchers by companies which operate Banyan Tree Spas and Banyan Tree Gallery to related companies for using as a marketing tool. The Spa vouchers are priced at a 20% to 60% discount to the Spa price list. The Gallery vouchers are priced at 20% to 40% discount to the face value of the voucher.
- (3) Guarantee fee among group companies for permitting their assets to be pledged as collateral for other related companies' bank loans by charging on 1% of proportion of value of pledged assets to total loan facilities.
- (4) The Company charges a management fee to its subsidiaries for providing centralised duties and services for each operation in the group. The monthly fixed rate is charged dependent on the department serviced, except the internal audit service is charge by the working hours and project management service is charged as Note (7) below.
- (5) Loans to subsidiaries and between group companies are unsecured and are denominated in Thai Baht. The loans carry interest at a rate equal to the lenders' borrowing costs per annum (based upon commercial bank's interest rates) plus a margin of 1.1%. The loans are repayable on demand, however it is expected that those loans would not be called for repayment in the short-term. Therefore such loans are recorded as non-current assets/liabilities in the statements of financial position.
- (6) The terms of the operating agreements are disclosed in Note 19 and consist of a royalty agreement, hotel management agreement and technical assistance agreement. The payment terms of the contracts are as follows:

Royalty fee paid for the use of "Banyan Tree" and "Angsana" trademarks and all other proprietary rights associated with it.

- (i) Banyan Tree Phuket (Laguna Banyan Tree Limited) pays a royalty fee of 2% of total revenue.
- (ii) Banyan Tree Bangkok (Thai Wah Plaza Limited) and Angsana Laguna Phuket (Bangtao Grande Limited) pay a royalty fee of 3% of total revenue.
- (iii) Banyan Tree Gallery (Thailand) Limited and Banyan Tree Gallery (Singapore) Pte. Ltd. pay a royalty fee of 1% of total revenue.

Hotel management and technical assistance fees.

- (iv) The Technical Assistance Agreement of the Banyan Tree Phuket pays a technical fee of 7.5% of gross operating profit.
- (v) The Hotel Management Agreement of the Banyan Tree Bangkok and the Angsana Laguna Phuket pays a hotel management fee of 10% of gross operating profit.
- (vi) In addition, pursuant to the hotel management and technical assistance agreements, expenses relating to the sharing of group marketing costs such as promotional campaigns and adverts, sales staff salaries, central reservations and international sales offices incurred by the Banyan Tree and/or Angsana corporate head office shall be charged as follows:
  - Group marketing services shared on a group basis are based on 3% of total actual hotel revenue (2014: 1.75% of actual hotel revenues plus a share of operating cost of Regional Marketing offices).
  - Reservation service fees are 1% of room revenue plus USD 12 per booking sourced through third party channels.

All management fees are consistent with industry practice and the sharing of group marketing costs incurred by Banyan Tree Phuket, Banyan Tree Bangkok and Angsana Laguna Phuket are the reimbursement of costs benefiting each of the hotels. As a result, these transactions are on normal commercial terms and conditions.

- (7) The Company provides project management services, the contracted fee is set at a rate of 5% of the actual or budgeted costs of the project.
- (8) Purchase of Banyan Tree Spa and Banyan Tree Gallery vouchers for distribution to management to provide an additional benefit scheme. The vouchers are issued yearly to qualifying executives and are valid only within the year of issue. The voucher is priced at the face value of the voucher.

- (9) These transactions relate to:
- (i) Sale of goods from Banyan Tree Gallery (Thailand) Limited to related companies is priced at a 20% to 35% discount to the retail price depending on the volume purchased.
  - (ii) Sale of guest and spa supplies of high volume purchases from companies which operate galleries to related companies is priced at cost plus up to 35% margin.
- (10) Training charges by Banyan Tree Hotels & Resorts (Thailand) Limited in respect of providing centralised training facilities and courses for staff. The training costs are allocated to each operation based on actual cost.
- (11) Costs are often incurred within the group which is reimbursed by the company to which the expense relates. Actual costs are reimbursed.
- (12) Rental paid for premises and land. The rental periods are not over three years, except some transactions as stated in (12)(i).
- (i) Rental and service fee is on the basis of 5% to 10% of sales revenue which is dependent on criteria such as the location, budgeted sales, term of the lease, size of area leased and type of operation.

<u>Payee</u>	<u>Payer</u>	<u>Rental Period</u>	<u>Expiry Date</u>
BGL	BTRS(T)	30 years	November 2041
LBTL	BTRS(T)	10 years	December 2015

BGL : Bangtao Grande Limited

BTRS(T) : Banyan Tree Resorts & Spas (Thailand) Company Limited

LBTL : Laguna Banyan Tree Limited

- (ii) Rental and service income for space in Banyan Tree Phuket for Banyan Tree Spa office and store is at Baht 1,138 per square metre per month.
- (iii) Rental of space and service in Canal Village. The charges include rental and related service fees which are at market rate.
- (iv) Rental and service income earned by Thai Wah Plaza Limited for renting the office space at Thai Wah Tower I and II. The charges include rental and related service fees which are at market rate.



- (v) Rental of land and lagoon on which hotel and hotel-related operations are located are at Baht 117,325 and Baht 11,733 per rai per annum respectively.
  - (vi) Service income from rental of Banyan Tree Management Academy is at Baht 128,750 per month.
  - (vii) Rental of land on which Spa premises are located is on the basis of Baht 0.7 million per annum.
- (13) This relates to a Management Agreement to manage the hotel units of Cheer Golden Limited in the Angsana Resort & Spa on Bintan Island, Indonesia under which Cheer Golden Limited receives a return of 15% per annum on the investment of the leasehold rights.
- (14) Resort service charged to the operations relates to revenue of Laguna Service Company Limited which provides centralised services to each operation in the group located at Laguna Phuket at the following rates:
- Water supply : at the determined price and actual usage
  - Laundry charge : at the price based on cost plus a certain margin
  - Common area services, : based on actual cost  
transportation charges
  - Staff buses : at the price based on cost plus a certain margin
  - Marketing fee : at the rate of 0.75% of the operations' actual  
revenue
  - Community service : based on actual cost
  - Other services : at the determined price and actual usage
- (15) This relates to architectural and interior design services. The fees are based on construction cost at progressive rates which depend on type of services and type of constructions. The fees are consistent with industry practice. As a result, these transactions are on normal commercial terms and conditions.
- (16) The Technical Assistance Agreement of Laguna Excursions Limited is providing management services and granting the use of leading brand for the recreation department of Banyan Tree Bintan and Angsana Bintan hotels. The technical service fees include a technical services fee at rate of 12.5% of recreation revenue, an incentive fee at the rate of 31% of earnings before interest, tax, depreciation and amortisation, and a royalty fee at the rate of 5% of revenue. The agreement was terminated in December 2014.

(Unaudited but reviewed)

(17) The Company charges a management fee to Banyan Tree Resorts & Spas (Thailand) Company Limited for providing administration services of information technology and human resources. The monthly fee is Baht 55,000.

(18) Estate maintenance and service charges by Laguna Grande Limited in respect of providing services such as pool cleaning service, gardening service, etc. to residential projects in Laguna Phuket which are charged at market price.

The Company has contingent liabilities in respect of letters of guarantee issued to banks to guarantee facilities of its subsidiaries as follows:

	(Unit: Million Baht)	
	30 June 2015	31 December 2014
Overdrafts and bank guarantee facilities	106	106

Subsidiaries have contingent liabilities in respect of letters of guarantee issued to banks to guarantee facilities of the Company and other subsidiaries as follows:

	(Unit: Million Baht)	
	30 June 2015	31 December 2014
Short-term loan facilities	170	170
Overdrafts and bank guarantee facilities	10	10

As at 30 June 2015 and 31 December 2014, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
<b>Amounts due from related parties</b>				
Subsidiaries	-	-	148,175	149,739
Associated companies	5,355	5,020	-	-
Related companies (related by common shareholders)	45,925	53,069	1,702	1,298
<b>Total amounts due from related parties (Note 4)</b>	<b>51,280</b>	<b>58,089</b>	<b>149,877</b>	<b>151,037</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
<b>Amounts due to related parties</b>				
Subsidiaries	-	-	10,011	7,940
Associated companies	258	-	-	-
Related companies (related by common shareholders)	73,819	72,542	3,613	8
<b>Total amounts due to related parties</b>				
(Note 13)	<u>74,077</u>	<u>72,542</u>	<u>13,624</u>	<u>7,948</u>

**Long-term loans to subsidiaries and long-term loans from subsidiaries**

As at 30 June 2015 and 31 December 2014, the balance of loans between the Company and those related companies and the movement are as follows:

**Long-term loans to subsidiaries**

(Unit: Thousand Baht)

	Separate financial statements		
	31 December		
	2014	Addition	Repayment
Laguna Banyan Tree Limited	1,133,100	339,000	(1,253,000)
Laguna Holiday Club Limited	-	1,000	(1,000)
Laguna Lakes Limited	430,501	8,000	(36,200)
Laguna Grande Limited	-	188,600	(117,500)
TWR - Holdings Limited	693,420	722,700	(1,326,300)
<b>Total</b>	<u>2,257,021</u>	<u>1,259,300</u>	<u>(2,734,000)</u>

**Long-term loans from subsidiaries**

(Unit: Thousand Baht)

	Separate financial statements		
	31 December		
	2014	Addition	Repayment
Laguna Grande Limited	746,950	220,000	(966,950)
Laguna Holiday Club Limited	14,000	41,000	(18,200)
Laguna (3) Limited	4,900	-	(100)
Banyan Tree Gallery (Thailand) Limited	-	30,000	-
<b>Total</b>	<u>765,850</u>	<u>291,000</u>	<u>(985,250)</u>

(Unaudited but reviewed)

### Directors and management's benefits

During the six-month periods ended 30 June 2015 and 2014, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2015	2014	2015	2014
Short-term employee benefits	51,820	47,357	29,408	19,131
Post-employment benefits	266	266	131	132
Other long-term employee benefits	18	19	8	8
Total	52,104	47,642	29,547	19,271

### Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 20 b).

## 6. Property development cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2015	2014	2015	2014
Property for sale under holiday club memberships	407,747	433,640	-	-
Completed buildings	540,339	564,535	72,371	72,371
Land	1,845,332	1,858,078	112,101	112,101
Leasehold land	44,041	44,041	-	-
Property under construction	1,669,712	988,415	8,795	8,795
Total	4,507,171	3,888,709	193,267	193,267

Subsidiaries have mortgaged property development cost amounting to Baht 875 million (31 December 2014: Baht 878 million) as collateral against its credit facilities received from financial institutions.

**7. Long-term trade accounts receivable**

Long-term trade accounts receivable consist of:

- 7.1 Installments receivable from property sales which bear interest at rates of 5.0% - 12.0% and MLR plus 0.5% per annum and installments are repaid over a period of 3 to 10 years.
- 7.2 Installments receivable from sales of holiday club memberships which bear interest at rates of 7.5% - 9.0% per annum and installments are repaid over a period of 2 to 5 years.

Long-term trade accounts receivable are due as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 June 2015	31 December 2014
Current portion of long-term trade accounts receivable	100,785	106,284
Long-term trade accounts receivable	165,566	165,044
<b>Total</b>	<b>266,351</b>	<b>271,328</b>
Sales of property		
Within 1 year (Note 4)	78,467	84,262
Over 1 year to 5 years	158,908	158,152
Over 5 years	1,344	1,551
Long-term trade accounts receivable - sales of property	238,719	243,965
Sales of holiday club memberships		
Within 1 year (Note 4)	22,318	22,022
Over 1 year to 5 years	5,314	5,341
Long-term trade accounts receivable - sales of holiday club memberships	27,632	27,363
<b>Total</b>	<b>266,351</b>	<b>271,328</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements	
	30 June 2015	31 December 2014
Current portion of long-term trade accounts receivable	-	4,857
Total	-	4,857
Sales of property		
Within 1 year (Note 4)	-	4,857
Long-term trade accounts receivable - sales of property	-	4,857

## 8. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost	
	30 June	31 December	30 June	31 December	30 June	31 December
	2015	2014	2015	2014	2015	2014
	Million Baht	Million Baht	%	%	Million Baht	Million Baht
<b><u>Subsidiaries held by the Company</u></b>						
Banyan Tree Gallery (Singapore) Pte. Limited	SGD 0.43 Million	SGD 0.43 Million	51.0	51.0	4.0	4.0
Banyan Tree Gallery (Thailand) Limited	7.8	7.8	51.0	51.0	4.0	4.0
Laguna Banyan Tree Limited <sup>(1)</sup>	1,500.0	500.0	100.0	100.0	1,325.1	835.1
Laguna Holiday Club Limited	330.0	330.0	100.0	100.0	330.0	330.0
Laguna Grande Limited	1,000.0	1,000.0	100.0	100.0	984.8	984.8
Laguna Lakes Limited	1.0	1.0	95.0	95.0	0.9	0.9
Laguna Service Company Limited <sup>(2)</sup>	90.5	90.5	72.9	72.9	22.4	22.4
Laguna (3) Limited	0.1	0.1	100.0	100.0	47.8	47.8
TWR – Holdings Limited	1,550.0	1,250.0	100.0	100.0	1,550.0	1,250.0
<b><u>Subsidiaries held through TWR – Holdings Limited</u></b>						
Laguna Excursions Limited	8.0	8.0	49.0	49.0	-	-
Laguna Village Limited	6.0	6.0	100.0	100.0	-	-
Mae Chan Property Company Limited	232.3	232.3	100.0	100.0	-	-
Pai Samart Development Company Limited	28.4	28.4	100.0	100.0	-	-
Phuket Resort Development Limited	41.4	41.4	100.0	100.0	-	-
PT AVC Indonesia	USD 0.9 Million	USD 0.9 Million	100.0	100.0	-	-
Talang Development Company Limited	251.0	251.0	50.0	50.0	-	-
Thai Wah Plaza Limited	2,250.0	2,250.0	100.0	100.0	-	-
Thai Wah Tower Company Limited	455.0	455.0	100.0	100.0	-	-
Thai Wah Tower (2) Company Limited	21.0	21.0	100.0	100.0	-	-
Twin Waters Development Company Limited	214.4	214.4	100.0	100.0	-	-
<b><u>Subsidiaries held through Laguna Grande Limited</u></b>						
Banglao (1) Limited	20.9	20.9	100.0	100.0	-	-
Banglao (2) Limited	19.1	19.1	100.0	100.0	-	-
Banglao (3) Limited	7.8	7.8	100.0	100.0	-	-
Banglao (4) Limited	14.6	14.6	100.0	100.0	-	-
Banglao Development Limited	80.0	80.0	100.0	100.0	-	-
Banglao Grande Limited	1,546.0	1,546.0	100.0	100.0	-	-
Laguna Central Limited	1.0	1.0	85.0	85.0	-	-

(Unaudited but reviewed)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014
	Million Baht	Million Baht	%	%	Million Baht	Million Baht
<b><u>Subsidiary held through Banyan Tree Gallery (Singapore) Pte. Limited</u></b>						
Lijiang Banyan Tree Gallery Trading Company Limited	USD 75 Thousands	USD 75 Thousands	51.0	51.0	-	-
<b><u>Subsidiary held through Laguna Holiday Club Limited</u></b>						
Cheer Golden Limited	-	-	100.0	100.0	-	-
<b>Total investments in subsidiaries</b>					<b>4,269.0</b>	<b>3,479.0</b>

(1) Laguna Banyan Tree Limited is held 49% by the Company and 51% through Bangtao Grande Limited (31 December 2014: Laguna Banyan Tree Limited is held 49% by the Company and 51% through TWR - Holdings Limited). On 6 February 2015, TWR - Holdings Limited entered into the share sale agreement to sell all ordinary shares in Laguna Banyan Tree Limited (51% shareholding) to Bangtao Grande Limited.

(2) Laguna Service Company Limited is held by the Company and 2 subsidiaries

A subsidiary has a 49% shareholding in Laguna Excursions Limited. However, the subsidiary has recognised its share of the profits of this subsidiary at 100% after deducting the cumulative preferential annual dividend of 15% of the par value of the preference shares, in accordance with the income sharing percentage in the Articles of Association.

On 3 March 2015, the Extraordinary General Meeting of Laguna Banyan Tree Limited's shareholders No.1/2015 passed a resolution approving to increase the registered share capital of such company from Baht 500,000,000 to Baht 1,500,000,000, through the issue of 10,000,000 new ordinary shares with a par value of Baht 100 each, a total of Baht 1,000,000,000. The Company and a subsidiary subscribed and paid for newly issued ordinary shares on 10 March 2015.

On 3 March 2015, the Extraordinary General Meeting of TWR - Holdings Limited's shareholders No.1/2015 passed a resolution approving to increase the registered share capital of such company from Baht 1,250,000,000 to Baht 1,550,000,000, through the issue of 3,000,000 new ordinary shares with a par value of Baht 100 each, a total of Baht 300,000,000. The Company subscribed and paid for newly issued ordinary shares on 10 March 2015.

## 9. Investments in associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			30 June	31 December	30 June	31 December	30 June	31 December
			2015	2014	2015	2014	2015	2014
			(%)	(%)				
Lijiang Banyan Tree Hotel Co. Ltd.	Hotel operations and property development	The People's Republic of China	49	49	348,414	348,414	398,592	409,465
Tropical Resorts Ltd.	Holding company	Hong Kong	26	26	17,673	17,673	-	-
Less: Allowance for impairment of investment					(17,673)	(17,673)	-	-
Total investments in associates - net					348,414	348,414	398,592	409,465

(Unit: Thousand Baht)

Company's name	Consolidated financial statements			
	Share of loss from investments in associate			
	For the three-month periods ended		For the six-month periods ended	
	30 June	30 June	30 June	30 June
	2015	2014	2015	2014
Lijiang Banyan Tree Hotel Co., Ltd.	(19,347)	(4,463)	(22,244)	(19,080)

## 10. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2015	2014	2015	2014
<b>Investment in available-for-sale security</b>				
Thai Wah Starch Public Company Limited	334,627	334,627	31,161	31,161
Unrealised gain on available-for-sale security	122,094	67,798	425,560	371,264
<b>Total investment in available-for-sale security - net</b>	<b>456,721</b>	<b>402,425</b>	<b>456,721</b>	<b>402,425</b>
<b>Investments in other companies</b>				
Bibace Investments Ltd.	188,425	188,425	-	-
Banyan Tree Indochina Hospitality Fund, L.P.	417,940	417,940	-	-
<b>Total investments in other companies</b>	<b>606,365</b>	<b>606,365</b>	<b>-</b>	<b>-</b>
<b>Total other long-term investments - net</b>	<b>1,063,086</b>	<b>1,008,790</b>	<b>456,721</b>	<b>402,425</b>



**11. Property, plant and equipment**

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>At cost / revaluation value</b>		
Balance as at 31 December 2014	14,076,021	121,361
Additions	155,623	3,871
Transfer from property development cost	11,683	-
Disposals and write off	(9,019)	-
Adjustments	(436)	-
Balance as at 30 June 2015	14,233,872	125,232
<b>Accumulated depreciation</b>		
Balance as at 31 December 2014	(3,818,514)	(71,565)
Depreciation charged for the period	(155,583)	(2,272)
Disposals and write off	8,408	-
Adjustments	(16)	-
Balance as at 30 June 2015	(3,965,705)	(73,837)
<b>Allowance for impairment loss</b>		
Balance as at 31 December 2014	(12,619)	-
Adjustments	466	-
Balance as at 30 June 2015	(12,153)	-
<b>Net book value</b>		
Balance as at 31 December 2014	10,244,888	49,796
Balance as at 30 June 2015	10,256,014	51,395

The Company and subsidiaries arranged for an independent professional valuer to re-appraise the value of certain assets in the report dated 24 December 2013 on an asset-by-asset basis. The basis of the revaluation was as follows:

- Land was revalued using the Market Approach.
- Buildings were revalued using the Replacement Cost Approach.

The subsidiaries have mortgaged land and buildings at fair value of Baht 5,537 million (31 December 2014: Baht 5,570 million) as collateral against credit facilities received from financial institutions.

**12. Short-term loans from financial institutions**

Short-term loans from financial institutions represent promissory notes with maturity dates within 3 months, subject to interest rate of 3.65% to 6.62% per annum (31 December 2014: 3.60% to 4.10%).

These short-term loans from financial institutions are secured by the mortgage of plots of land and buildings of its subsidiaries, as described in Note 11 and by the guarantee provided by subsidiaries.

**13. Trade and other payables**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2015	2014	2015	2014
Trade accounts payable	191,189	291,738	3,013	2,014
Amounts due to related parties				
(Note 5)	74,077	72,542	13,624	7,948
Accrued expenses	164,889	155,125	20,419	5,938
Other payables	115,038	78,270	599	637
Service charge payable to hotel staff	12,233	31,718	-	-
Accrued rental to villa owners	60,627	58,180	5,921	8,389
Total	<u>618,053</u>	<u>687,573</u>	<u>43,576</u>	<u>24,926</u>

**14. Other current liabilities**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2015	2014	2015	2014
Value added tax payable	35,430	49,383	4,351	4,042
Unearned income	46,431	47,194	-	-
Other tax payable	30,973	17,120	1,282	2,244
Short-term provision	8,826	8,363	3,578	3,673
Total	<u>121,660</u>	<u>122,060</u>	<u>9,211</u>	<u>9,959</u>

(Unaudited but reviewed)

## 15. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2015	2014	2015	2014
Secured	<u>2,595,576</u>	<u>2,477,326</u>	<u>70,000</u>	<u>105,000</u>
Long-term loans are repayable as follows:				
Within 1 year	726,687	657,750	70,000	70,000
Over 1 year to 5 years	1,668,889	1,579,576	-	35,000
Over 5 years	200,000	240,000	-	-
	<u>1,868,889</u>	<u>1,819,576</u>	<u>-</u>	<u>35,000</u>
Total	<u>2,595,576</u>	<u>2,477,326</u>	<u>70,000</u>	<u>105,000</u>

Movements in the long-term loans account during the six-month period ended 30 June 2015 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2014	2,477,326	105,000
Add: Drawdown	385,000	-
Less: Repayments	(266,750)	(35,000)
Balance as at 30 June 2015	<u>2,595,576</u>	<u>70,000</u>

The loans are secured by mortgage of plots of land and buildings of its subsidiaries, as described in Notes 6 and 11 and investment properties of Baht 696 million (31 December 2014: Baht 696 million). Certain loan is guaranteed by a subsidiary.

The loan agreements contain covenants as specified in the agreements that, among other things, require the Company and its subsidiaries to maintain certain debt to equity and debt service coverage ratios according to the agreements.

As at 30 June 2015, the long-term credit facilities of the subsidiaries which have not yet been drawn down amounted to Baht 215 million (31 December 2014: Nil).

**16. Income tax**

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and six-month periods ended 30 June 2015 and 2014 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<b>Current income tax:</b>				
Interim corporate income tax charge	13,214	(1,261)	-	-
Adjustment in respect of current				
income tax of previous year	3,050	-	-	-
Write off prepaid withholding tax	7,472	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal				
of temporary differences	(29,944)	(30,541)	(4,142)	8,747
<b>Income tax expense reported in the</b>				
<b>    income statement</b>	<b>(6,208)</b>	<b>(31,802)</b>	<b>(4,142)</b>	<b>8,747</b>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<b>Current income tax:</b>				
Interim corporate income tax charge	48,758	20,570	-	-
Adjustment in respect of current				
income tax of previous year	3,490	-	-	-
Write off prepaid withholding tax	7,472	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal				
of temporary differences	(23,831)	(27,444)	(4,922)	6,767
<b>Income tax expense reported in the</b>				
<b>    income statement</b>	<b>35,889</b>	<b>(6,874)</b>	<b>(4,922)</b>	<b>6,767</b>

**17. Earnings per share**

Basic earnings per share is calculated by dividing profit (loss) for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Profit (loss) attributable to equity holders of the Company (Thousand Baht)	(121,329)	(66,076)	8,504	25,629
Weighted average number of ordinary shares (Thousand shares)	166,683	166,683	166,683	166,683
Earnings (loss) per share (Baht/share)	(0.73)	(0.40)	0.05	0.15
	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Profit (loss) attributable to equity holders of the Company (Thousand Baht)	(20,156)	38,777	3,631	39,809
Weighted average number of ordinary shares (Thousand shares)	166,683	166,683	166,683	166,683
Earnings (loss) per share (Baht/share)	(0.12)	0.23	0.02	0.24

**18. Dividend**

Dividend declared in six-month periods ended 30 June 2015 and 2014 consist of:

	Approved by	Total dividends (Million Baht)	Dividend per share
			(Baht)
Dividends on 2014 retained earnings	Annual General Meeting of the shareholders on 27 April 2015	20.84	0.125
Dividends on 2013 retained earnings	Annual General Meeting of the shareholders on 22 April 2014	56.66	0.34

## 19. Commitments

### Capital commitment

As at 30 June 2015, the Company and its subsidiaries have capital commitments as follows:

- a) The Company and its subsidiaries have commitments in respect of constructing new and renovating existing hotel properties amounting to Baht 39 million (31 December 2014: Baht 12 million).
- b) The Company and its subsidiaries have commitments that relate to projects to develop properties for sale amounting to Baht 732 million (31 December 2014: Baht 911 million).
- c) A subsidiary entered into an Agreement to Purchase and Sale of Land, having a total land area of 237 rai 1 ngan 39.6 square wah, with a third party. The subsidiary will periodically acquire the land in accordance with terms and conditions as set forth in the aforesaid Agreement. The subsidiary initially acquired the land, having a total area of 53 rai 2 ngan 3.4 square wah. The subsidiary holds the right to acquire the remaining land, having a total area of 183 rai 3 ngan 36.2 square wah, by 1 July 2018. The subsidiary paid the deposit of Baht 65 million and the purchase price of the remaining land shall be increased at rate of 5% on every anniversary date following the date that the Agreement to Purchase and Sale of Land was executed.

### Operating agreements

As at 30 June 2015, the Company and its subsidiaries have operating agreements as follows:

- (a) The subsidiaries have entered into operating agreements with certain companies whereby these companies are to operate the subsidiaries' hotels businesses. In consideration of such services, the subsidiaries are committed to pay remuneration at the rates, terms and basis specified in the agreements. These agreements are summarised below:

Company	Business unit	Operator	Contract period	Fees
Banglao Grande Limited	Angsana Laguna Phuket	Banyan Tree Hotels & Resorts Pte. Limited	1.7.2012 - 30.11.2031	- Royalty fee: 3% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.7.2012 - 30.11.2031	- Management fee: 10% of gross operating profit
Laguna Banyan Tree Limited	Banyan Tree Phuket	Banyan Tree Hotels & Resorts Pte. Limited	1.7.2012 - 31.12.2015	- Royalty fee: 2% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.7.2012 - 31.12.2015	- Technical fee: 7.5% of gross operating profit

(Unaudited but reviewed)

Company	Business unit	Operator	Contract period	Fees
Thai Wah Plaza Limited	Banyan Tree Bangkok	Banyan Tree Hotels &	1.7.2012 - 31.12.2021	- Royalty fee: 3% of total revenue
		Resorts Pte. Limited	(b)	
		Banyan Tree Hotels & Resorts	1.7.2012 - 31.12.2021	- Management fee: 10% of gross operating profit
		(Thailand) Limited	(b)	
Laguna Village Limited	Outrigger Laguna	Outrigger Hotels (Thailand)	29.5.2009 - 31.12.2019	- Basic management fee: 2% of total revenue for
	Phuket Resort and Villas	Limited	(c)	the first fiscal year, 2.5% of total revenue for
				the second fiscal year and 3% of total revenue
				for the remain fiscal years
				- Incentive fee: 7% of gross operating profit

- (a) Operator has option to extend for 1 additional period of 10 years.  
(b) Operator has option to extend for 1 additional period of 20 years.  
(c) Operator has option to extend for 2 additional periods of 10 years.

(b) The Company and its subsidiaries have commitments in respect of cash rewards options for villa rental scheme agreements. The terms of the agreements are generally 6 years.

As at 30 June 2015 and 31 December 2014, future minimum payments required under these agreements were as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2015	2014	2015	2014
Payable within:				
In up to 1 year	63	97	4	5
In over 1 and up to 5 years	78	166	8	8
In over 5 years	-	8	-	-

During the six-month period ended 30 June 2015, the Company and its subsidiaries recognised rental expenses of Baht 50 million (2014: Baht 62 million) (Separate financial statements: Baht 6 million, 2014: Baht 14 million).

#### Servitude over land

As at 30 June 2015, some subsidiaries have land servitude of approximately 7 rai (31 December 2014: 7 rai) at Phuket province, which are presented under property development cost and property, plant and equipment.

**20. Guarantees**

- a) As at 30 June 2015, there are bank guarantees amounting to Baht 47 million (Separate financial statements: Baht 2 million) issued to various parties on behalf of the Company and its subsidiaries, mainly provided for the usage of electricity, other utilities and telecommunication channels (31 December 2014: Baht 46 million, Separate financial statements: Baht 2 million).
- b) As at 30 June 2015 and 31 December 2014 the Company has the provision of a guarantee for a loan obtained by Lijiang Banyan Tree Hotel Co., Ltd. (LBTH) by issuing the letter of indemnity to its parent company, Banyan Tree Holdings Limited. The provision of the guarantee is to secure the loan of LBTH in proportion to the equity interest of 49.04% of the Company in LBTH (through Laguna Banyan Tree Limited).

**21. Segment information**

The Company and its subsidiaries are organised into business units based on its products and services. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the periods of three-month and six-month periods ended 30 June 2015 and 2014, respectively.

(Unit: Million Baht)

	For the three-month period ended 30 June 2015				
	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	625	212	30	-	867
Intersegment revenues	(20)	(21)	(6)	-	(47)
Revenue from external customers	<u>605</u>	<u>191</u>	<u>24</u>	<u>-</u>	<u>820</u>
Results:					
Segment results	<u>(100)</u>	<u>29</u>	<u>11</u>	<u>(41)</u>	<u>(101)</u>
Unallocated income					<u>29</u>
Loss from operations and other income					(72)
Interest income	1	4	-	-	5
Finance cost	(24)	(12)	-	(4)	(40)
Share of loss from investments in associate	(19)	-	-	-	<u>(19)</u>
Loss before income tax expenses					(126)
Income tax expenses	17	(11)	(2)	2	<u>6</u>
Loss for the period					<u>(120)</u>



(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 30 June 2014

	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	615	156	30	-	801
Intersegment revenues	(44)	(1)	(6)	-	(51)
Revenue from external customers	<u>571</u>	<u>155</u>	<u>24</u>	<u>-</u>	<u>750</u>
Results:					
Segment results	<u>(98)</u>	<u>(15)</u>	<u>5</u>	<u>15</u>	<u>(93)</u>
Unallocated income					30
Loss from operations and other income					(63)
Interest income	-	7	-	-	7
Finance cost	(22)	(13)	-	(5)	(40)
Share of loss from investments in associate	(3)	(1)	-	-	(4)
Loss before income tax expenses					(100)
Income tax expenses	33	8	(1)	(8)	32
Loss for the period					<u>(68)</u>

(Unit: Million Baht)

For the six-month period ended 30 June 2015

	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	1,729	398	58	-	2,185
Intersegment revenues	(74)	(22)	(12)	-	(108)
Revenue from external customers	<u>1,655</u>	<u>376</u>	<u>46</u>	<u>-</u>	<u>2,077</u>
Results:					
Segment results	<u>77</u>	<u>35</u>	<u>15</u>	<u>(90)</u>	<u>37</u>
Unallocated income					72
Profit from operations and other income					109
Interest income	1	8	-	-	9
Finance cost	(50)	(23)	-	(8)	(81)
Share of loss from investment in associate	(20)	(2)	-	-	(22)
Profit before income tax expenses					15
Income tax expenses	(18)	(14)	(3)	(1)	(36)
Loss for the period					<u>(21)</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month period ended 30 June 2014					
	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	1,708	304	58	-	2,070
Intersegment revenues	(93)	(4)	(12)	-	(109)
Revenue from external customers	1,615	300	46	-	1,961
Results:					
Segment results	109	(15)	12	(21)	85
Unallocated income					34
Profit from operations and other income					119
Interest income	-	11	-	-	11
Finance cost	(45)	(25)	-	(11)	(81)
Share of loss from investment in associate	(18)	(1)	-	-	(19)
Profit before income tax expenses					30
Income tax expenses	2	7	(2)	-	7
Profit for the period					37

## 22. Foreign currency risk assets/liabilities

The outstanding balances of the Company and its subsidiaries' financial assets and liabilities denominated in foreign currency are as follows:

Foreign currency	Consolidated financial statements				Separate financial statements				Average exchange rate as at	
	Financial assets as at		Financial liabilities as at		Financial assets as at		Financial liabilities as at			
	30	31	30	31	30	31	30	31	30	31
	June	December	June	December	June	December	June	December	June	December
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	4	4	-	-	-	-	-	-	33.7298	32.9186

## 23. Fair value of financial instruments

The Company and its subsidiaries use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company and its subsidiaries endeavor to use relevant observable inputs as much as possible. TFRS 13 *Fair Value Measurement* establishes a fair value hierarchy categorising such inputs into three levels as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

As of 30 June 2015, the Company and its subsidiaries had the following financial assets that were measured at fair value as follows:

(Unit: Thousand Baht)

Consolidated Financial Statements				
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Available-for-sale investments				
Equity instruments	456,721	-	-	456,721

(Unit: Thousand Baht)

Separate Financial Statements				
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Available-for-sale investments				
Equity instruments	456,721	-	-	456,721

## **24. Litigation**

A case was brought to the Phuket Provincial Court on 8 October 2009, in which 4 of LRH's affiliated companies and 10 individual directors are the defendants. The plaintiffs referred in the plaint that they purchased units in Allamanda 1 Condominium during 1991 to 1995. The plaintiffs claim the Sale and Purchase Agreement called for common area of approximately 20 rai. On registration of Allamanda 1 Condominium, Allamanda 1 Condominium was registered with only 9 rai 2 ngan 9 square wah. As result, the plaintiffs claim that defendants have breached the Sale and Purchase Agreement. Therefore, the plaintiffs requested the defendants to completely deliver the common area as specified by the Agreement by transfer of the land totaling 10 rai 3 ngan 97.1 square wah to Allamanda 1 Juristic Person, as the 10th plaintiff, or to be jointly liable for the compensation of Baht 132 million in case the transfer of land cannot be made. The plaintiffs also requested for additional compensation in the amount of Baht 56 million for unlawful use of the land which is supposed to be common property of Allamanda 1 Condominium. The total amount of claim is Baht 188 million with interest at the rate of 7.5% per annum from the date the claim was lodged until the defendants have made full payment. The plaintiffs also claimed that the former and current directors, totaling ten, of those subsidiaries as the 5th to 14th defendants were the representatives of the subsidiaries being the 1st to 4th defendants, therefore, must also be jointly liable with those subsidiaries.

The plaintiffs filed a petition with the Court seeking the Court's interim injunction of which the defendants shall not dispose and amend the status of nine plots of land in dispute with land registry office during the trial. On 20 January 2012, the Court granted the interim injunction.

On 27 June 2014, the Phuket Provincial Court has ordered the defendants (1) to transfer the nine plots of land totaling 10 rai 3 ngan 97.1 square wah to the plaintiffs (2) to pay Baht 5,890,956 for unlawful usage of the two plots of land with interest at the rate of 7.5% per annum from the following day after the claim was lodged until payment is made in full (3) to pay Baht 16,000.79 per day from the following day after the claim was lodged until the transfer of aforementioned land has been completed, and (4) to pay a further Baht 500,000 as legal fees to the plaintiffs. On 23 January 2015, the subsidiaries lodged an appeal on the judgement at the Court of First Instance.

As at 30 June 2015, subsidiaries have set aside a provision of Baht 39.9 million for liabilities arising as a result of this case (31 December 2014: Baht 39.3 million).

**25. Reclassification**

Certain amounts in the financial statements for the three-month and six-month periods ended 30 June 2014 have been reclassified to conform to the current year's classification but with no effect to previously reported profit (loss) or shareholders' equity. The reclassifications are as follows:

(Unit: Thousand Baht)

	For the three-month period ended 30 June 2014			
	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
<b>Income statements</b>				
Revenue from hotel operations	571,104	564,220	6,896	12
Revenue from property development operations	154,280	151,942	43,851	41,513
Cost of hotel operations	398,021	388,799	9,222	-

(Unit: Thousand Baht)

	For the six-month period ended 30 June 2014			
	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
<b>Income statements</b>				
Revenue from hotel operations	1,614,586	1,585,698	28,928	40
Revenue from property development operations	300,117	309,363	75,838	85,084
Cost of hotel operations	897,061	877,419	19,642	-

**26. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 August 2015.